

APPENDIX L

**PROCESSING CIVILIAN PERMANENT CHANGE OF STATION (PCS)
SETTLEMENT VOUCHERS**A. Purpose

To provide procedures for processing civilian PCS settlement vouchers. Civilian PCS involves several types of settlement vouchers. For purposes of this appendix, processing steps will be the same for all vouchers. Where specific types of vouchers, such as those for real estate and for temporary quarters subsistence expense (TQSE), require additional steps, those steps are annotated as subparagraphs to the overall procedure.

B. Scope

This appendix applies to the travel divisions in the Operating Locations (OPLOCs) under the command and control of the Defense Finance and Accounting Service - Indianapolis Center (DFAS-IN) and Finance and Accounting Offices (FAOs) in the DFAS-IN network.

C. Procedures

1. All civilian PCS claims go to the control section. The control section does not log civilian PCS claims into the automated travel system. Instead, the control section logs the claim into a manual log as received, and passes the claim directly to the civilian PCS processing section (hereafter referred to as the processing section).

2. The chief of the civilian PCS processing section assigns the claim to a processing travel clerk for review and computation (hereafter referred to as the clerk).

3. The clerk reviews the claim to ensure the DD Form 1351-2, Travel Voucher or Subvoucher, is properly completed, and that all required documentation is attached. The clerk performs any research necessary to ensure the validity of amounts claimed. The clerk also establishes whether a withholding tax allowance (WTA) is payable. If no statement to the contrary is present, a WTA is paid, when applicable.

a. For real estate claims, the claim must be completed, reviewed, and signed as provided in the Joint Travel Regulation (JTR), paragraph C14003-B2, BEFORE mailing the claim to the OPLOC/FAO. This means that the traveler submits the claim to the official designated by the new duty station commander to review real estate claims, which often is the Staff Judge Advocate. The reviewer of real estate claims is responsible for determining that the expenses claimed are reasonable and customary in the locality where the property is located. Ensure that all travelers are aware of this requirement.

b. For actual expense TQSE claims, daily itemization is required for expenses. Receipts are required for any itemized expenses of \$75.00 or more. Ensure travelers are aware of these requirements. For fixed TQSE claims, no receipts or supporting documents are required (Reference JTR, Vol.1, C13230).

4. For claims that require additional documentation or cannot be processed for other reasons (e.g., the item claimed is not reimbursable under the JTR), the clerk contacts the traveler or returns the claim to the traveler with a letter of explanation, as appropriate.

5. Once the clerk reviews the claim and determines that it is payable, the clerk processes it through the automated travel system. Contact the employee's civilian payroll office to determine the retirement program and year-to-date earnings so the correct Medicare and/or Federal Insurance Contribution Act (FICA) taxes will be withheld. Refer to the Internal Revenue Service (IRS) Publication 521, Moving Expenses, for more information regarding the taxable items for civilian PCS travel and transportation entitlements.

6. Prepare the IRS Treasury Department (TD) Form W-2. Prepare a memorandum for record, detailing the taxable earnings and the Medicare/FICA collection for the applicable civilian payroll office. Hold these documents pending posting of the disbursing officer voucher (DOV) numbers.

7. The voucher, with supporting documentation, is assembled in six parts. Five parts of the assembled voucher are routed through the civilian PCS processing chief/lead clerk. Attach the original of the IRS TD Form W-2 to the five parts going to the PCS processing chief/lead clerk. The remaining copy is placed in a historical file that is retained in the civilian PCS processing section. Ensure that a copy of ALL paperwork is maintained in this file.

8. The PCS processing chief/lead clerk will release the vouchers to the disbursing division.

9. Update the automated travel system when Advise of Payment information is received from disbursing. Review the PCS summary record to ensure that the DOV number and date of payment are posted on the DD Form 1588 or automated equivalent.

10. Annotate the DOV number and date paid on the payroll office memorandum and on the accounting division copy of the IRS TD Form W-2. Deliver the TD Forms W-2 to the accounting division and mail the payroll office memorandum. Ensure that a copy of each document is maintained in the historical file maintained in the civilian PCS processing section.

11. All TD Forms W-2 must be mailed so that the traveler receives it no later than January 31st.

12. Create the magnetic media TD Form W-2 output file for the IRS not later than February 15th of each year. Generate the IRS Form 6559, Transmitter Report and Summary of Magnetic Media, and transmit with the magnetic media output file to the IRS so that they arrive

at the IRS by February 28th. Coordinate this effort with the accounting division, so that all reports are coordinated and duplicate efforts are avoided.

13. Review the historical files during February of each year, and notify any employee eligible for payment of the Relocation Income Tax Allowance (RITA) that they must file a voucher for the entitlement. Provide a packet of information, instructions, and the forms required to complete the claim. Process RITA claims using the same procedures as for all other civilian PCS claims.